

EXHIBIT I

September 29, 2007



Important Information

**iPhone Software
Version 1.1.1**

WARNING: Apple has discovered that some of the unauthorized unlocking programs available on the Internet may cause irreparable damage to the iPhone's software. **IF YOU HAVE MODIFIED YOUR IPHONE'S SOFTWARE, APPLYING THIS SOFTWARE UPDATE MAY RESULT IN YOUR IPHONE BECOMING PERMANENTLY INOPERABLE.** Making unauthorized modifications to the software on your iPhone violates the iPhone software license agreement, and the inability to use your iPhone due to unauthorized software modifications is not covered under your iPhone's warranty.

This version of the software includes additional new features, bug fixes and supersedes all previous versions.

Since Monday, Apple has been warning iPhone owners that using unlocking software could damage the phone.

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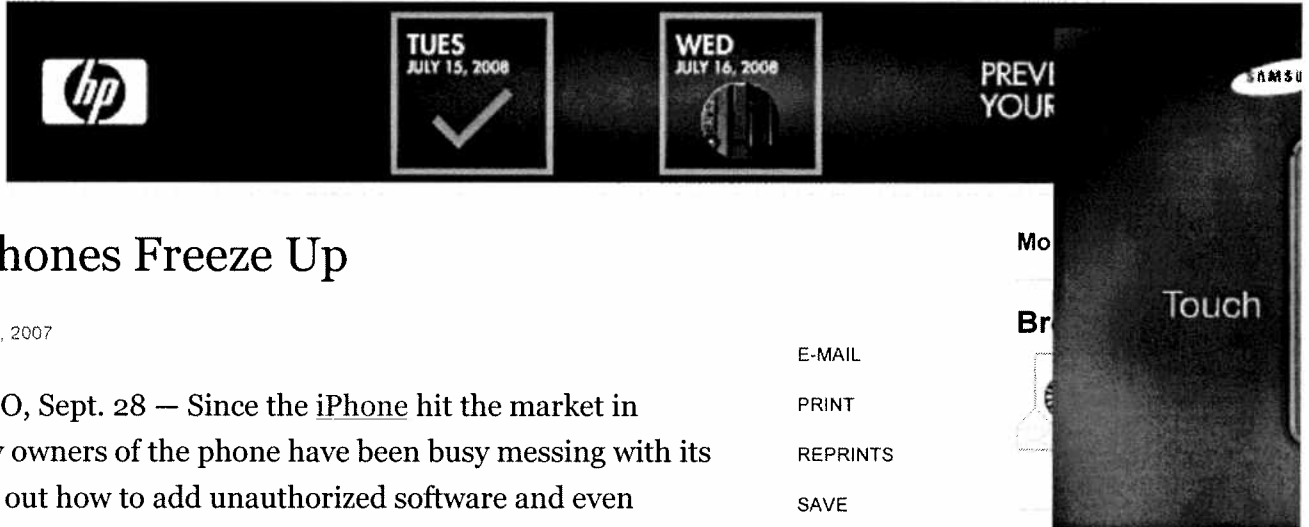
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Altered iPhones Freeze Up

By KATIE HAFNER
Published: September 29, 2007

SAN FRANCISCO, Sept. 28 — Since the iPhone hit the market in June, tech-savvy owners of the phone have been busy messing with its insides, figuring out how to add unauthorized software and even “unlock” it for use on networks other than AT&T’s.

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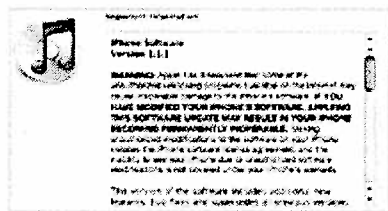
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Since Monday, Apple has been warning iPhone owners that using unlocking software could damage the phone.

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But the Web was filled Friday with complaints from people who had installed the latest iPhone software update, only to see all the fun little programs they had been adding to their iPhones disappear — or, still worse, see their phones freeze up entirely.

Should they have known better?

Since Monday, Apple officials have been warning iPhone owners that using unlocking software could cause the phone to become “permanently inoperable when a future Apple-supplied iPhone software update is installed.” But in many cases those warnings went unheeded.

People who had unlocked their phones to use them with another carrier ran the greatest risk of, in techie terms, having them “bricked” — rendered about as useful as a brick. Most of those who committed the lesser transgression of installing programs not authorized by Apple simply had those programs wiped out.

People have created dozens of programs for the iPhone,

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ranging from the useless but entertaining (a virtual popcorn popper) to the decidedly practical (a screen-shot capture program).

But for anyone who upgrades the iPhone's system software, a routine process that adds Apple's latest fixes and improvements, those programs can no longer be used. The update has made the iPhone "almost impervious to any third-party hacks," said Erica Sadun, a technical writer in Denver who has created more than a dozen programs for the iPhone, including the screen-shot program and a popular voice recorder.

Jennifer Bowcock, an Apple spokeswoman, said that when people went to update their software with their computer through iTunes, a warning appeared on the computer screen, making it clear that any unauthorized modifications to the iPhone software violated the agreement that people entered into when they bought the phone. "The inability to use your phone after making unauthorized modifications isn't covered under the iPhone warranty" Ms. Bowcock said.

There were reports online that employees at Apple stores were reviving or replacing some dead iPhones. But Ms. Bowcock did not offer much hope to iPhone owners with problems: "If the damage was due to use of an unauthorized software application, voiding their warranty, they should purchase a new iPhone."

Steven P. Jobs, Apple's chief executive, has said the company wanted to maintain control over the iPhone's functions to protect carrier networks and to make sure the phone was not damaged.

Ms. Sadun said the community of people who write unsanctioned software for the phone knew the update was coming.

"We had about two weeks' notice," she said. Yet Ms. Sadun and others said they were surprised by the extremes to which Apple went to shut them down. "We tried to think well of Apple," she said. "Denial is a very strong part of the human spirit."

Until Friday morning, Ms. Sadun had a contract with the publishing firm Addison-Wesley to write a book about creating applications for the iPhone. After the news of Apple's crackdown spread, she received a note from her editor that suggested that they think of a different topic.

It was not unexpected that Apple would try to stop people from unlocking the phones, as this threatened to cause problems for AT&T, Apple's exclusive United States partner for the iPhone.

"I don't blame them for fighting the unlocks," said Brian Lam, editor of Gizmodo, a blog devoted to gadgets. "They are trying to make money, as a business. I get that."

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Still, he said, that disabling someone's phone, "instead of just relocking it and to wipe out the apps, it seems like Apple is going way too far; I'd call it uncharacteristically evil."

In some cases, the apparent punishment for installing unapproved software was harsh. Ross Good, a student at the University of Illinois at Urbana-Champaign, had added several programs, including one for instant messaging. After the upgrade, the phone went into a semifrozen state.

When Mr. Good called Apple, the reception was cool. "They said I put third-party software on my phone, and so it was my fault no matter what."

Joel Robison, a systems network engineer near Seattle, said his phone stopped working immediately after he installed the upgrade. He said that when he took it to an Apple store, he was accused of having unlocked the phone. But he said that with the exception of one aborted attempt to install a piece of outside software, he had made no modifications to the phone.

"Their accusation was very damaging to my opinion of Apple's service," Mr. Robison said.

J. Noah Funderburg, an assistant dean at the University of Alabama School of Law in Tuscaloosa and a longtime Mac user, had little sympathy for iPhone hot-rodders.

"Anyone who hacks must know that they are taking certain risks," Mr. Funderburg said. "If they aren't willing to assume the risks upfront — like a brick iPhone — then maybe they should not hack the device.

"We have a free marketplace," he said. "Buy a product, including using it on the terms accompanying the purchase, or don't buy it. And learn to live with not always getting everything you want."

Saul Hansell contributed reporting from New York.

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